



LIBERTY NATIONAL BANK

2005 NOV 14 AM 10 17

November 8, 2005

Mr. John F. Carter
Regional Director
Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square
Suite 2300
San Francisco, CA 94105

Dear Mr. Carter:

The purpose of this letter is to comment on the application of Wal-Mart Stores, Inc. ("Wal-Mart") to establish an industrial bank and obtain federal deposit insurance. As a community banker, I believe strongly that allowing Wal-Mart to own a bank charter and potentially open branches in its network of stores would result in irreparable harm to my community and my institution, as well as pose a severe systemic risk to our nation's economy.

I am very concerned about the ramifications of a Wal-Mart bank, especially taking into account their long history of destabilizing communities by undercutting prices of local merchants and driving them out of business. Wal-Mart is well known for entering a community with the intent of becoming a central shopping district for that area by providing practically every type of product and service for that community. This business approach leaves many smaller local businesses unable to compete and with no choice but to close down. It would be unrealistic not to expect Wal-Mart to take this approach when it comes to retail banking.

I am aware that Wal-Mart has stated that it intends to operate a limited ILC charter in Utah and it claims that it will use its industrial bank charter to process credit card, debit card, and electronic check transactions from its stores, but it has not denied that it will pursue retail banking in the future. Not to pursue it would almost go against their corporate philosophy.

Moreover, Wal-Mart seeks to exploit a loophole in the Bank Holding Company Act that will undermine an essential principle in our banking system, which is the separation of banking and commerce. This principle has been reaffirmed by the enactment of the Gramm-Leach-Bliley Act ("GLBA") of 1999, which among other things closed the door for commercial firms to own thrifts. Any decision to overturn the GLBA mandate to separate banking and commerce should be left to congress and not the FDIC.

I urge you to deny Wal-Mart's application. Mixing banking and commerce would only create conflicts of interest and distort credit decisions. The impartial allocation of credit is the linchpin of our financial system and must be preserved.

Even more importantly, the largest company in the world owning a bank would produce a dangerous concentration of economic power and resources that would pose severe systemic risks to our economy. What would have happened if Enron owned a bank? Or Worldcom? Our nation cannot afford to take that risk to save Wal-Mart a couple of pennies on each credit and debit transaction.

For the sake of our community banks as well as those around our nation, please do not allow Wal-Mart to get into the banking business. Make a statement for fair competition and consumer choice by denying Wal-Mart's application for deposit insurance.

Sincerely,

A handwritten signature in dark ink, appearing to read 'W. C. Henson', with a large, sweeping initial 'W' and a stylized 'H'.

William C. Henson
President, CEO
Liberty National Bank
Lawton, OK